

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:4176
ANSWERED ON:11.08.2016
Higher Freight Cost on Coal
Solanki Dr. Kirit Premjibhai

Will the Minister of COAL be pleased to state:

- (a) whether the freight cost on coal produced in Gujarat is higher than the actual cost of coal resulting in higher cost of generation of power;
- (b) if so, the details thereof and the steps taken/proposed to be taken by the Union Government to reduce the cost of coal, burden to import the coal and rationalization of coal linkage; and
- (c) whether the Union Government initiated any steps for swapping of coal by the Government of Gujarat and Gujarat State Electricity Corporation Limited based on heating value through third party sampling and analysis at loading points for both domestic coal at mines and imported coal at ports and if so, the details thereof?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF COAL, POWER, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a)&(b): The State of Gujarat does not have any mines/coal production. Based on the recommendations of Inter-Ministerial Task Force (IMTF) rationalization of sources in respect of 17 power plants for a quantity of about 23 Million Tonne has taken place. In respect of 2 cases related to GSECL, GSECL have not signed Fuel Supply Agreement (FSA) in respect of Gandhinagar TPS and Wanakbori TPS as GSECL has insisted to execute FSA at notified price.

Ministry of Coal has issued a directive to CIL, GSECL and WCL to operationalize the rationalization of GSECL coal supplies from WCL according to the recommendation of IMTF.

(c): For swapping of coal linkage, an agreement was signed between GSECL and NTPC to the effect that 1 MTPA of coal from SECL (Korea-Rewa field) would be supplied to NTPC Seepat plant and in lieu of that GSECL will take imported coal of NTPC. The same is under operation at SECL from 2014-15.
